



FOR IMMEDIATE RELEASE  
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## **PGI OFFICIALS INDICTED FOR FRAUDULENTLY OBTAINING FEDERAL CONSTRUCTION CONTRACTS IN THE GRAND CANYON**

PHOENIX – A federal grand jury in Phoenix has returned a 29-count indictment against Ernest Robert McFarland, 66, of Fort Meyers, Florida, and Wayne George Heidle, 53, of La Habra, California, for conspiracy, false claims, mail fraud and false statements.

The indictment, returned by a federal grand jury on June 19, alleges that from 2002 through 2004, McFarland, as Pacific General Inc.'s ("PGI") owner and president, and Heidle, as PGI's vice-president, conspired to fraudulently obtain federal construction contracts in the Grand Canyon National Park by submitting false charges to the government for construction bonds and falsely certifying that PGI was paying its subcontractors for work on the projects. McFarland and Heidle were both charged with false claims for submitting invoices containing false bonds charges to the government, and were charged with mail fraud for devising the scheme and mailing the invoices to the government. McFarland was charged with submitting false statements for submitting certifications to the government claiming falsely that PGI had paid its subcontractors for their work on the projects. Defendants have received summons to appear in court.

A conviction for conspiracy, false claims and false statements carries a maximum penalty of five years, a conviction for mail fraud carries a maximum penalty of 20 years, and each conviction carries a fine of \$250,000 or both. In determining an actual sentence, Judge Neil V. Wake will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted the Department of the Interior - Office of the Inspector General, and the Federal Bureau of Investigation. The prosecution is being handled by John R. Lopez IV, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-07-731-PCT-NVW  
RELEASE NUMBER: 2007-160(McFarland & Heidle)

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